

AMES J. KILPATRICK

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Bayh Battles Promotion at AID

Indiana's Senator Birch Bayh probably will not succeed in the one-man assault he is leading against the promotion of Rutherford M. Poats, but he may accomplish a useful purpose nonetheless. He may persuade his colleagues to contemplate, however briefly, the level of incompetence that infects the U.S. foreign aid program.

Nowhere has this ineptitude been more grossly evident than in the administration of U.S. aid to Vietnam. Elsewhere the record discloses slip-ups, mistakes, and bizarre decisions, coupled with some modest successes. In Vietnam, the record discloses little but bungling on the grand scale. For the last three years, the bungle-r-in-chief, directly responsible for the Vietnam program, has been Poats. Now it is proposed to reward his performance by promoting him within the Agency for International Development from assistant administrator for the Far East to deputy administrator for the agency as a whole.

In opposing this decision, Bayh is relying not only upon his own findings, in connection with AID's purchase of certain steel for Vietnam, but also upon the findings of a House committee and the General Accounting Office, and upon a number of investigative studies by private consultants and by AID's own people. Collectively, the evidence points glaringly to incapacity up top—which is to say, to the capacity of Poats. In the

name of common sense, asks Bayh, why promote him?

Last October's report from a House subcommittee, headed by Rep. John E. Moss of California, provided 130 pages of documentation on the multiple fiascoes of U.S. aid to Vietnam in 1964-66. Poats was directly in charge of the program throughout this period.

Despite a highly critical study by the GAO in July 1964, the Moss committee found in the spring of 1966 that AID had developed "neither the management tools nor the personnel to administer an effective commodity import program." Information essential to the development of sound and realistic requirements "was for the most part nonexistent." No quantitative studies had been made to determine if the volume of particular imports was excessive. Other obviously essential information was equally inaccurate or nonexistent. There were no adequate records on the arrival, pipeline, and inventory of commodities."

In sum, said the committee, "the manner in which the import program was being administered by the AID mission was contrary to sound management practices in government operations and was contributing to—rather than preventing—widespread abuses."

The Moss committee had a great deal more to say. The administrators of foreign aid to Vietnam had failed to cope effectively with profiteering, fraud, smuggling, theft, overpricing and kickbacks.

Evidence abounded that vast quantities of American imports were being diverted to the Viet Cong, but AID executives did nothing effective to halt this. Some of the abuses might have been prevented through AID's own management inspection staff, but the director of this staff had not even visited Vietnam for two years and exhibited neither the aggressiveness nor the knowledge to get the facts.

Under AID rules, shipments not removed from Vietnamese warehouses within 90 days after arrival were treated as abandoned goods and sold at auction as distressed cargo. But the AID mission in Vietnam "maintained no records on the type, quantity, or dollar value of distressed cargo, did not attend auctions, did not maintain records on the proceeds, and had no control over the ultimate use of these proceeds."

All this was not for want of money or manpower. U.S. aid to Vietnam in 1965-66 came to \$728 million. The AID mission in Saigon was then employing 1,300 Americans, 1,900 Vietnamese and 300 others; its payroll was larger than the payroll of AID in Washington. In November 1965, a management survey team, trying to determine what was wrong, found poor employee moral and a "lack of coordination between Washington and the mission." There were inadequate audits, inadequate security at warehouses, clogged pipelines and fantastic waste.

"No question about it," conceded Poats, who was managing the whole thing, "this program needed a great deal more management."

This is the executive whom President Johnson has nominated to be deputy administrator of the entire \$3 billion-a-year program of foreign aid. Bayh finds the prospect incredible, and the senator is not alone.